

Submission to:

**Inquiry into the Extent and Nature
of Poverty in Australia**

**Community Affairs References
Committee**

February 2023

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Summary

As a provider of integrated primary health, mental health and social support services to individuals and communities that experience disadvantage in Melbourne, cohealth welcomes the opportunity to contribute to the Senate Community Affairs References Committee inquiry into the [Extent and Nature of Poverty in Australia](#).

More than three million people in Australia live in poverty, including 761,000 children. This equates to **one in eight people** and **one in six children** living below the poverty line.¹ While people who experience poverty demonstrate remarkable resilience, the impact of trying to live on very low income is significant. Poverty impacts on and limits many areas of a person's life – from access to education and employment, housing, physical and mental health status, connection to family and community and civic participation. Inequality can erode social cohesion, lead to political polarisation, and ultimately lower economic growth,² so reducing poverty and inequality should be a national priority.

Despite this impact, and the abundant evidence about the extent of poverty, Australia currently has no plan to reduce poverty, nor official definition or monitoring of poverty. Australia has nonetheless committed to the United Nations Sustainable Development Goal of halving poverty by 2030. Concerted and urgent action is required to reduce poverty and ensure that all Australians have the opportunity to flourish.

cohealth sees every day how people's health and wellbeing would be improved if poverty was reduced - people could afford to buy nutritious food, pay for essential medications, see health professionals early and prevent illnesses becoming more severe. Children would be able to participate in activities and have the same opportunities as better off peers and mental health would improve.

Recommendations:

- 1. The Government significantly increase investment in new social and public housing across Australia, recognising that access to a secure, affordable home is an essential right of individuals and families and will reduce the impact of poverty.**
- 2. Remove restrictions that prevent some refugees and people seeking asylum from working, receiving income support payments or accessing Medicare.**
- 3. The Government immediately increase the rate of JobSeeker, and related payments, to the current pension rate, in line with recommendations by ACOSS.**
- 4. The Government introduce an official definition of poverty and its measurement, and develop a national plan for the reduction of poverty.**
- 5. Increase investment in the health and social support services that provide care for people experiencing disadvantage.**

¹ <https://povertyandinequality.acoss.org.au/poverty/one-in-eight-people-in-australia-are-living-in-poverty/>

² <https://www.imf.org/en/Topics/Inequality/introduction-to-inequality>

About cohealth

cohealth is one of Australia's largest community health organisations, delivering care from over 30 locations across the inner, north, and west of Melbourne as well as statewide services across Victoria. cohealth provides integrated general practice, medical specialist, dental, allied health, mental health, alcohol and other drug, counselling, family violence, and social support services to more than 50,000 people each year.

People using cohealth services typically experience social disadvantage and are consequently marginalised from mainstream health services or require a higher level of care and support – such as people who are experiencing homelessness, mental illness, use alcohol and other drugs, Aboriginal and Torres Strait Islanders, refugees and asylum seekers, recently released prisoners, LGBTIQ communities and people with chronic and complex health conditions.

Most cohealth clients live on very low incomes, with many receiving income support payments. Prior to COVID-19 more than 25% of cohealth's clients aged 18 – 65 years identified as being unemployed. These people have long told us how hard it is to make ends meet, and how this constant financial hardship has a negative impact on their health and wellbeing.

Many of our clients experience additional disadvantage in the labour market, making it even harder for them to find and retain work. They may be living with chronic illness, disability, the impacts of recent or past trauma and experiences of marginalisation and disadvantage. Many clients who are new to Australia have skills and experience but do not have experience working in Australia. They tell us how they want to work, however that they struggle to find employers willing to give them a chance, and to make reasonable workplace adjustments to accommodate their needs, if required. These groups may spend longer periods of time on JobSeeker Payment, and the low rate of JobSeeker has a commensurately larger impact on them.

Recognising the significant impact that socio-economic status has on people's health and wellbeing, cohealth is proud to support the ACOSS/UNSW Poverty and Inequality Partnership. This partnership is a research cooperation between the academic and not-for-profit communities, that monitors trends in poverty and inequality over time, explores drivers, and develops solutions to sharpen the focus and stimulate action to tackle these policy challenges.³ We encourage the Committee to review the work of the Poverty and Inequality Partnership at povertyandinequality.acoss.org.au/

cohealth would welcome the opportunity to discuss this submission and our perspectives on universal access to reproductive health. Please contact Jane Stanley, Advocacy and Policy Advisor on jane.stanley@cohealth.org.au

³ <https://povertyandinequality.acoss.org.au/>

Experience of poverty and the structural drivers

Within this submission we are describing financial poverty, and the impacts this has on individuals, families and communities. This means that people's financial resources are not sufficient for them to afford the essentials of life, and so reduces access to opportunities and curtails the ability to fully participate in many aspects of life. However, it is important to recognise that experiencing economic poverty does not mean that people and communities experience poverty in other areas. Despite the financial hardship they face most continue to live lives rich in culture, family, friendship and community. This is illustrated later in this submission as cohealth Bi-Cultural Workers describe their communities' experiences of poverty.

At the same time, this observation about the resilience of individuals and communities in no way diminishes the pressing need to address the structures and systems that lead to poverty. Rather, we are making the point that the experience of poverty is only one part of a person's life. cohealth's position is that there are significant structural drivers of poverty, including legislation, policy decisions, discrimination, racism, and our economic system. In contrast to much political rhetoric, cohealth does not believe poverty is the result of individual deficits. As a society we make choices about what we accept, and the existence of poverty is one of these choices. During the COVID crisis, and despite the restrictions, rates of poverty and homelessness were reduced through government policies that doubled income support payments for many and provided housing for people experiencing homelessness. When there is the political and social will for change it can occur. This political will is needed now.

a) Rates and drivers of poverty in Australia

Research by the Poverty and Inequality Partnership has found that in 2019-20 3,319,000 people in Australia, or more than one in eight (13.4%), lived below the poverty line, as did 761,000 children, or one in six (16.6%).⁴ This work has also demonstrated that over the past two decades poverty rates have remained consistently between 11.5% to 14.6% of the population.⁵ By any measure, this is a significant proportion of the Australian population living in poverty, and should be of deep concern to us all.

Detailed information about poverty rates can be found in the submission to this inquiry by the Poverty and Inequality Partnership, and on the Poverty and Inequality Partnership website.⁶

While the drivers of poverty in Australia are many and varied, cohealth's position is that poverty is predominantly the result of structural factors, including economic settings, employment conditions, taxation policies, housing availability and costs, income support payment levels, discrimination, access to education and health care, cost of living and the like; and not as a result of personal deficits. In our experience people work hard, and

⁴ <https://povertyandinequality.acoss.org.au/a-snapshot-of-poverty-in-australia-2022/>

⁵ <https://povertyandinequality.acoss.org.au/poverty/#poverty-australia>

⁶ <https://povertyandinequality.acoss.org.au/>

those who are unemployed want to work, but our social systems and structures create barriers that disadvantage those who have the least.

c) Impacts of poverty on individuals

'Poverty is a life making difficult choices'

Danny Jeffcote, cohealth Outreach Cluster Leader⁷

Living in poverty has a significant impact on many areas of people's lives, taking away their choices and preventing them from living a safe and secure life.⁸ It can leave people living in constant anxiety about paying their rent and utility bills, forced to decide whether to put food on the table or pay for essential medications and knowing that they are only one pay cheque away from homelessness. It means children are unable to participate fully in school and community life, affecting their future opportunities.

(i) Employment outcomes

Poverty impacts on employment outcomes through various mechanisms. While employment often protects individuals and families from poverty, this is no longer always the case. Nor does finding a job guarantee a pathway out of poverty for someone who has been locked out of employment. With the increase in casual work and increasing cost of living, people who are employed are increasingly experiencing financial hardship. This is particularly the case for people in precarious employment – in casual, low paid jobs with uncertain hours and little guarantee about the income they'll be earning week by week.

Perversely, a lack of income can make it harder for people to obtain the employment that might raise them out of poverty. This is particularly the case for people living on the extremely low JobSeeker payment. This payment is now so low that people cannot afford adequate food or meet rent payments, let alone pay for transport to interviews, work clothing or maintain the electronic devices and connections essential for contemporary job search.

(ii) Housing security

Housing and poverty are inextricably linked. Secure, affordable housing can protect against poverty, and provide the stability from which people can engage in employment and education. This is particularly true for those who own their own home or are paying off a mortgage. Conversely, a lack of access to secure, affordable housing for people on low

⁷ Evidence at public hearing for Senate Community Affairs References Committee Inquiry into the Nature and Extent of Poverty in Australia, 20 October 2022

https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/PovertyinAustralia/Public_Hearings

⁸ <https://www.missionaustralia.com.au/what-we-do/ending-homelessness/poverty-australia-statistics#:~:text=For%20the%20774%2C000%20children%20living,future%20wellbeing%2C%20health%20and%20outcomes.&text=Students%20with%20less%20resources%20struggle,and%20succeed%20in%20the%20classroom.>

incomes creates acute financial stress, anxiety and instability, and increases the risk of homelessness.

As a health provider, cohealth is acutely aware of the impact of housing on a person's wellbeing. There is also compelling evidence of the many links between housing and health. As VicHealth has observed⁹: 'People in precarious housing [housing that is unaffordable, inappropriate or insecure] have worse health than people in adequate housing, and the more elements of precarious housing experienced simultaneously, the greater the health impact. Adequate housing or the prevention of precarious housing must be considered a key component of health promotion or disease prevention.'

Research has identified that precarious housing has a significant impact on a person's physical and mental health, finding that people in precarious housing had worse health than people who were not precariously housed, and the poorer people's housing, the poorer their mental health.¹⁰ This research also found that poor health can lead to precarious housing and that people with the worst mental or physical health were the most likely to be in precarious housing.

Homelessness has a particularly severe impact on health and wellbeing, with people experiencing homelessness having significantly higher rates of death, disability, chronic illness and experiences of complex trauma than the general population, including: reduced life expectancy¹¹, poor dental health, infectious diseases, lack of preventive and routine health care, and higher rates of mental illness¹² and musculoskeletal disorders.

We now also know how important safe and stable housing is for children's development and wellbeing. There is substantial and growing evidence of the impact of homelessness on children. The instability and chaotic nature of homelessness can have profound effects on a child's physical health, psychological development and academic achievement. A critical impact on children is disrupted schooling, which in turn can increase the risk of homelessness in adulthood.¹³

Over 116,000 Australians are homeless on any given night¹⁴, and many more experience the stress from spending a substantial proportion of their income on rent payments. In the areas cohealth works in across the north and west of Melbourne, very few private rental properties are affordable to people on the lowest of incomes, meaning that the poorest

⁹ https://www.vichealth.vic.gov.au/-/media/ResourceCentre/PublicationsandResources/Health-Inequalities/Housing_and_Health_Research-Summary_web.pdf?la=en&hash=42ABE51F99703B698663E4368306FA4B34652DA8

¹⁰ Mallett, S, et al 2011 Precarious housing and health inequalities: what are the links? Summary report. https://www.vichealth.vic.gov.au/~media/resourcecentre/publicationsandresources/health%20inequalities/precarious%20housing/precarious%20housing_summary%20report_web.pdf?la=en

¹¹ Davies, A & Wood, Lisa (2018) Homeless health care: meeting the challenges of providing primary care, MJA (209) 5 3 September 2018 <https://www.mja.com.au/journal/2018/209/5/homeless-health-care-meeting-challenges-providing-primary-care>

¹² Department of Families, Housing, Community Services and Indigenous Affairs (2008) The road home: a national approach to reducing homelessness White Paper <https://apo.org.au/node/2882>

¹³ Department of Families, Housing, Community Services and Indigenous Affairs (2008) The road home: a national approach to reducing homelessness White Paper <https://apo.org.au/node/2882>

¹⁴ ABS, (2018): Census of Population and Housing: Estimating homelessness, 2016 <https://www.abs.gov.au/statistics/people/housing/census-population-and-housing-estimating-homelessness/2016>

Australians pay a large proportion of their income on rent, and are subsequently unable to afford other essentials of life, such as food, medication, health care and utilities. For some this can result in homelessness or living in expensive but inappropriate accommodation such as rooming houses and caravan parks. Insecure tenure adds another layer of uncertainty and cost to those in the private rental market.

Australia has a huge shortfall of affordable housing, including a shortage of over 500,000 rental dwellings that are affordable and available to the lowest-income households.¹⁵ In Victoria alone there are more than 100,000 people on the waiting list for public and community housing.¹⁶ The Australian Housing and Research Institute estimates the current shortfall of social housing at 433,400 properties, growing to 727,200 by 2026.¹⁷

A lack of investment in social housing over many years has significantly contributed to this situation. Investment in social housing for people on the lowest incomes has shrunk from 5.6 per cent to 4.7 per cent of all housing over the past decade and a half.¹⁸ There is now less federal funding for new social and affordable housing than at any time over the last decade.¹⁹ Coupled with rapidly rising private rents in much of the country, affordable, secure housing is out of reach for many individuals and families on low incomes.

Increased investment in social housing will clearly have profound benefits for individuals and families by improving housing affordability and reducing precarious housing and homelessness, as well as bringing down poverty. Flow on effects will accrue to the economy at large, through providing the foundation for greater involvement in employment, education and community life.

Recommendation 1

The Government significantly increase investment in new social and public housing across Australia, recognising that access to a secure, affordable home is an essential right of individuals and families and will reduce the impact of poverty.

(iii) Health outcomes

Poverty is a key driver of poor physical and mental health, while conversely having an illness or poor health means people are more vulnerable to poverty. The alleviation of poverty is recognised as one of the key means of improving health outcomes.²⁰

As a health organisation cohealth sees every day how low income can cause ill health and exacerbate existing health conditions. Meeting health costs is a struggle for people

¹⁵ <https://www.acoss.org.au/policy-priorities-for-the-next-govt-housing-homelessness/>

¹⁶ VCOSS 2023 Victorian Budget Submission <https://vcoss.org.au/policy/#budgetsub>

¹⁷ <https://everybodyshome.com.au/resources/federal-election-2022/>

¹⁸ <https://www.acoss.org.au/policy-priorities-for-the-next-govt-housing-homelessness/>

¹⁹ <http://theconversation.com/the-new-national-housing-agreement-wont-achieve-its-goals-without-enough-funding-99936>

²⁰ CSDH (2008). *Closing the gap in a generation: health equity through action on the social determinants of health*. Final Report of the Commission on Social Determinants of Health.

World Health Organization. https://www.who.int/social_determinants/thecommission/finalreport/en/

on low income, with the costs of services and prescriptions harder to meet. It is common for people on low incomes to delay seeking medical and dental care due to cost.

Poverty impact on health in many ways, including:

- Being unable to afford medications – and this is worse for people with conditions where the most effective medication are not on the Pharmaceutical Benefits Scheme; and those with multiple conditions and medications.
- People ration medications, meaning that:
 - it is not taken as clinically indicated
 - if different medications are needed for different conditions they will prioritise which to take depending on their symptoms (for example, a man who will not take his medication for depression as the need to take the sinus medications that allow him to breathe takes precedence)
- People are unable to afford health care that require co-payments, even if small. This means they don't receive necessary specialist care, dental treatment, allied health care or diagnostic tests and imaging.³ Wait times for public services can be lengthy, during which time people live in pain and conditions deteriorate.
- Increasingly people are also postponing or avoiding GP appointments as the number and availability of bulk-billing clinics declines. Alternatively, they present at hospital emergency departments.
- They are unable to eat healthy food – or eat at all. Many people go without food to pay other bills or ensure their children eat.
- Unable to afford cost of transport to get to medical appointments
- People struggling with addictions cannot afford opiate replacement therapy, or may resort to other means to obtain the money for it
- Living in poor quality housing and unable to afford heating/cooling contributes to and exacerbates health conditions

If you are unable to get to a service, or pay for it, then conditions go untreated, and worsen, and as a result are then more serious when treatment is sought, with corresponding greater impact on the individual, their family and the health system.

Physical Health

As a result, compared to the wealthiest Australians, the most socio-economically disadvantaged:

- Are twice as likely to have a long-term health condition
- Are twice as likely to suffer from chronic illnesses
- Will die on average three years earlier²¹
- Are 2.3 times as likely to die of potentially avoidable causes²²
- Have a mortality rate 1.5 times as high²³
- Have a burden of disease 1.5 times as high²⁴

²¹ The Cost of Inaction on the Social Determinants of Health, *CHA-NATSEM Second Report on Health Inequalities* <https://apo.org.au/node/29676>

²² <https://www.aihw.gov.au/reports/australias-health/health-across-socioeconomic-groups>

²³ <https://www.aihw.gov.au/reports/australias-health/health-across-socioeconomic-groups>

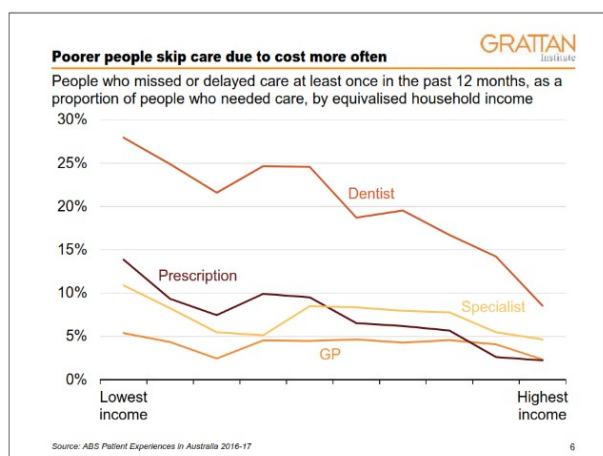
²⁴ <https://www.aihw.gov.au/reports/australias-health/health-across-socioeconomic-groups>

- Are over 70% more likely to suicide

These differences are even starker for certain groups:

- Aboriginal and Torres Strait Islander people have a life expectancy of around eight years less than non-Indigenous Australians
- People living outside a major city experience higher death rates. People in very remote areas have a death rate nearly 1.5 times as high as those in major cities
- People with a disability are 6 times more likely than people without a disability to rate their health as poor or fair
- People with a mental illness are likely to die between 14 and 23 years earlier than the general population²⁵

The impacts of low income are exacerbated by expensive housing, insecure employment, unemployment and underemployment, and location that is removed from services, jobs and health services.



The Grattan Institute has illustrated how cost is key barrier for people accessing health care, with this burden the greatest for people on low incomes.²⁶

Mental Health

'When I had a very severe episode of mental health I was on Newstart for 2 years. it was demoralising. Luckily I lived with my family. Begging for payments was disempowering and distressing. I have zero idea how anyone pays rent on it. All my clients struggle on it. the only ones with heads just above water are on DSP, and that's impossible to get these days.' Previous Newstart (now JobSeeker) recipient

Studies throughout the world have demonstrated an inverse relationship between mental illness and social class²⁷ – that people on lower incomes have poorer mental health than those on higher incomes.

²⁵ ACOSS & cohealth (2019), [Poverty and Inequality make us sick](#) Infographic, Poverty and Inequality Partnership, Sydney

²⁶ Grattan Institute Commonwealth Orange Book 2019, p94

<https://grattan.edu.au/wp-content/uploads/2019/04/916-Commonwealth-Orange-Book-2019.pdf>

²⁷ https://www.cambridge.org/core/services/aop-cambridge-core/content/view/39E6EB94B44818EDE417F181AC300DA4/S1355514600001322a.pdf/poverty_social_inequality_and_mental_health.pdf

Socio-economic disadvantage is clearly associated with poorer mental health. Barriers to opportunities such as work and education can lead to poor social connection, increased social isolation and a lack of attachment to communities. Social exclusion, and the stress of living on or under the poverty line have a negative effect on mental health.²⁸

Two significant inquiries into mental health – the Royal Commission into Victoria's Mental Health System and the Productivity Commission Inquiry into Mental Health – have both highlighted the correlation between mental ill health and poverty. As the Royal Commission observes: 'Research indicates that those who experience poverty and/or disadvantage face an increased risk of developing a mental illness and experience disproportionately poor health outcomes.'²⁹ The Productivity Commission notes that 'Socioeconomic disadvantage has strong links to mental ill-health ... Financial stressors and/or compromised financial security (such as being unemployed or having excessive debt) increase the risk of developing mental illness.'³⁰

Children's development

Research has now found that poverty also has a significant influence on the development of children's brains. Disturbingly it has found that disadvantage begins at birth, is intergenerational and children from poorer socio-economic backgrounds are at greater risk of mental illness than those from more affluent circumstances.³¹

761,000 Australian children (16.6%) now live in poverty³², many with parents trying to raise them on JobSeeker Payment. The implications for their long-term health and wellbeing should be of profound concern to all Australians.

The extreme level of poverty experienced by people receiving JobSeeker and related payments is a serious concern for both physical and mental health and wellbeing. This payment is now so far below all poverty benchmarks that it works against the ability of people to seek work and contributes to social isolation and marginalisation.

d) Impacts of poverty amongst different demographics and communities

While all communities and demographics are diverse, and not all members of a group will experience poverty, or in the same way, certain groups have a greater risk of experiencing poverty. People who are locked out of employment due to age, discrimination, disability, experiences of trauma, and those experiencing homelessness or high housing costs are particularly at risk. As such, groups who are at a greater risk of

²⁸ <https://www.sbs.com.au/topics/life/health/article/2017/11/07/surprising-link-between-mental-illness-and-poverty>

²⁹ State of Victoria, Royal Commission into Victoria's Mental Health System, Final Report, Volume 1: A new approach to mental health and wellbeing in Victoria, p35. <https://finalreport.rcvmhs.vic.gov.au/>

³⁰ Productivity Commission 2020, Mental Health, Report no. 95, Canberra Vol 2, p95 <https://www.pc.gov.au/inquiries/completed/mental-health/report>

³¹ <https://www.sbs.com.au/topics/life/culture/article/2017/11/24/how-much-do-you-know-about-science-poverty?cid=inbody:the-surprising-link-between-mental-illness-and-poverty>

³² <https://povertyandinequality.acoss.org.au/poverty/#poverty-australia>

poverty include people who: are unemployed; live in public housing; receive JobSeeker Payment, Parenting Payment, Youth Allowance or Disability Support Pension; are aged 65 years and over who do not own/purchase their home; single parents; and Aboriginal and Torres Strait Islander people.³³

Thousands of people seeking in asylum experience extreme poverty, as they have no work rights and are prevented from accessing income support payments and Medicare.³⁴ Extending work rights and eligibility to Medicare and income support payments is vital to ensure people seeking asylum have the means to support themselves.

To explore the impact of poverty on some of the communities cohealth works with, Bi-Cultural Workers (BCWs)³⁵ from diverse communities have shared their observations about how poverty impacts on some members of their respective communities, along with suggestions to reduce poverty. The BCWs note that contributors to poverty include:

- the lack of recognition of qualifications
- the need to take multiple casual, low paying jobs
- the cost of housing

Impacts of poverty in these communities include:

- children not having access to activities such as sport and excursions
- health care avoided due to cost
- mental health impacts

Full accounts from BCWs are provided as an attachment to this submission.

Recommendation 2

Remove restrictions that prevent some refugees and people seeking asylum from working, receiving income support payments or accessing Medicare.

e) Relationship between income support payments and poverty

Australia's income support system should play a key role in poverty prevention. However, many income support payments are inadequate on their own to prevent poverty.

³³ ACOSS/UNSW Poverty and Inequality Partnership submission to Senate Inquiry into the Extent and Nature of Poverty 2023 (not yet published)

³⁴ <https://www.refugeecouncil.org.au/thousands-of-people-seeking-asylum-living-in-poverty/>

³⁵ Bi-cultural workers are employed to use their cultural knowledge, language skills, lived experience and community connections to work with people who they share a lived experience with and with mainstream organisations. Bi-cultural workers elevate community voices, advocate for their needs, co-design and deliver programs, share information and facilitate cultural safety.

Consequently, where income support is the main source of income for a household, there is a high risk of that household living in poverty.³⁶

This is particularly so for people trying to survive on JobSeeker Payment, Youth Allowance, Single Parent Payment, the Disability Support Payment and related payments. While for older people the level of the Aged Pension is just above the poverty line³⁷, those who are renting or paying off a mortgage are also at risk of poverty.

In March 2020 the Federal Government introduced the Coronavirus Supplement, effectively doubling the rate of payment. This was a clear acknowledgement that the rate of JobSeeker payment was too low. Prior to this there had been almost universal recognition that the rate of JobSeeker Payment was inadequate, but no progress towards increasing the rate. The payment was significantly below all poverty benchmarks and had not been increased in real terms for 26 years.

From September 2021 the Coronavirus Supplement was progressively reduced, then removed, with Jobseeker recipients now expected to survive on \$48 a day to cover the essentials of life, including rent, as well as the cost of job search. This rate is more than \$150 per week below the poverty line,³⁸ and less than half the minimum wage. Youth Allowance is even lower.³⁹

People who are locked out of paid work tell harrowing accounts of how JobSeeker Payment is too low for them to afford essentials such as a roof over their head and food on the table. They must make difficult choices between eating a meal, paying a bill or maintaining their health. As a cohealth client described:

'There is no way for me to pay for essential medication or treatments - hindering my health in many ways. I also cannot afford private health insurance in order to access adequate mental health care.'

The many impacts of the low rate of JobSeeker Payment have been thoroughly documented over many years by a wide range of organisations and individuals, including ACOSS, The Salvation Army, St Vincent de Paul Society and Anglicare, to name just a few. Common experiences include struggling to meet costs of housing, health care, utilities, food and job search, going without meals, and children unable to participate in school and community life. The rate of JobSeeker Payment is now so low that it hampers people's ability to seek employment.

cohealth clients reflect these experiences, but also describe the significant impacts on their physical and mental health stemming from the low rate of JobSeeker Payment. At cohealth we hear from people whose health deteriorates as they are unable to meet the costs of their healthcare needs because they:

³⁶ Poverty and Inequality Partnership (2019), [Causes of poverty and inequality in Australia](#). Poverty and Inequality Partnership webpage, accessed 25 January 2023.

³⁷ Melbourne Institute Poverty Lines Australia - June quarter 2022

<https://melbourneinstitute.unimelb.edu.au/publications/poverty-lines>

³⁸ <https://povertyandinequality.acoss.org.au/a-snapshot-of-poverty-in-australia-2022/>

³⁹ ACOSS 2019, Survey of People on Newstart and Youth Allowance https://www.acoss.org.au/media-releases/?media_release=more-food-for-my-kids-replace-worn-through-clothing-keep-a-car-running-to-get-to-a-job-acoss-survey-shows-what-a-newstart-increase-wou

- Are unable to pay for essential medications
- Delay seeking treatment for health conditions
- Are unable to pay for transport to attend medical appointments
- Live with ongoing pain as a result of delayed dental care and inability to afford pain relief
- Live with constant stress about their very survival

As eligibility for the Disability Support pension has tightened in recent years, the number of people with a physical or mental illness or disability trying to survive on JobSeeker Payment has also increased. Currently 43% people on JobSeeker Payment have a serious disability or illness that means they have partial capacity to work.⁴⁰ With higher healthcare and medication costs, reduced capacity to work, and facing discrimination in the labour market these people face serious struggles surviving from day to day.

The stress of living on such a low income, the stigma attached to unemployment and the onerous and demeaning processes required to receive the payment, combine to place great pressure on people's mental wellbeing. This stress can be both a contributing factor to the development of mental health issues and exacerbate existing conditions.

Recent small increases of \$3.57 per day in 2021 and subsequent CPI indexation will not relieve this stress. Such an amount does not even cover the cost of a prescription for a person with debilitating health conditions (up to \$7.30 for a concession card holder⁴¹). Nor would it meet the cost of public transport fares to a job interview or a medical appointment (\$4.60 for concession daily fare in Melbourne⁴²).

The continued refusal of successive governments to increase the real rate of JobSeeker Payment to meet the essentials of life, while the cost of essentials is skyrocketing, can only be seen as a denial of the established link between poverty and mental health (outlined above) and therefore a clear abrogation of responsibility to meet the needs of the most disadvantaged Australians.

In line with calls from a wide cross section of community services, business groups, unions and civil society, cohealth urges an immediate increase of working-age payments. As ACOSS has proposed, this should be to the current pension rate (including the Pension Supplement). This is currently \$513 per week for a single person (as at September 2022) and would require an increase of \$175pw to the single maximum rate of JobSeeker Payment and \$232 per week for single, maximum rate of Youth Allowance.⁴³

Recommendation 3

The Government immediately increase the rate of JobSeeker, and related payments, to the current pension rate, in line with recommendations by ACOSS.

⁴⁰ <https://www.theguardian.com/australia-news/2022/sep/19/almost-half-of-jobseeker-recipients-unable-to-work-full-time-due-to-sickness-or-disability>

⁴¹ https://www.pbs.gov.au/info/healthpro/explanatory-notes/section1/Section_1_4_Explanatory_Notes

⁴² <https://www.ptv.vic.gov.au/tickets/fares/metropolitan-fares/#mykimoney>

⁴³ ACOSS 2023/24 budget priorities statement (not yet published)

f) Mechanisms to address and reduce poverty

Like any complex issue, addressing and reducing poverty will require concerted effort from across all levels of government. Unfortunately, Australia has no agreed definition of poverty, nor plan to reduce it. First and foremost, a clear commitment from the Federal government to reduce poverty is required to drive action. Initial actions include establishing a national definition of poverty and identifying measures to track our progress at reducing poverty. Without defining and measuring poverty we cannot effectively plan measures to address it or track progress. A detailed plan to reduce poverty with targets and strategies is required to enable the nation to work towards greater equity.

A national plan to reduce poverty must be developed in close collaboration with people with direct experience of poverty, academic experts, advocates, and other relevant parties. Key measures that will have a significant impact on improving the circumstances of some of the most disadvantaged Australians are:

- An urgent and substantial increase in the rate of JobSeeker payment
- Significant investment in social housing
- Flexible employment supports to ensure those locked out of employment have the opportunity for paid employment
- Ensuring that contribution to reducing poverty is a central consideration in all areas of policy making and reform
- Removing restrictions that prevent some refugees and people seeking asylum from working, receiving income support payments or accessing Medicare

Recommendation 4

The Government introduce an official definition of poverty and its measurement, and develop a national plan for the reduction of poverty.

g) Any related matters

Access to services and supports

Many of the services and supports that people need to stay healthy and well are too expensive for people who experience poverty. Too many people are unable to access bulk billing GPs, dental care is unaffordable and public specialist care can have long wait times. We need to ensure people can access the health and social support services they need to keep them well. Our health system needs to prioritise the needs of people who experience disadvantage, and greater investment is needed in the primary health services that provide the integrated, wrap around care they need.

Immediate priorities should include increasing access to bulk billing primary medical care and expanding Medicare to include oral health care, along with investing in a national community health program, based on the existing Victorian model.

The Victorian community health model, similar to that of Aboriginal Community Controlled Organisations, is a successful model of care that prioritises people who experience disadvantage, and addresses the barriers to care faced by diverse communities. Community health services are team based, multidisciplinary settings that integrate primary care (including GPs) with other health and social services. The model is based on the social determinants of health, and services are place-based, responding to the identified needs of the local community. Community health services engage community members in planning their health and social services, they are accessible to all, particularly the most vulnerable and marginalised people, and they play a critical role in filling gaps left by other parts of the health system.

Recommendation 5

Increase investment in the health and social support services that provide care for people experiencing disadvantage.

Attachment - Bi-Cultural Workers reflections about poverty

1. Bi-cultural worker 1

(*worker requested anonymity for themselves and their community)

[In my community] there are families who are experiencing a financial hardship. The most impacted are those who are working with low income and not having Centrelink or any social payment security and also people with no Medicare. Nearly everyone is on a protection visa, people's degrees are not recognised or if their English is low they are more at risk of poverty.

When some people start working they are no longer eligible for social services, yet people's income is not adequate to cover the cost of living,

Because many people's qualifications are not recognised here they are forced into low income or casual jobs and many jobs are short term contracts.

People want to work, they are looking for meaningful employment, but the employment conditions are not secure or income is low so they are better off on Centrelink, especially when they can receive child support payments.

Job agencies and Centrelink push people to find any job and people are forced into meaningless jobs that are not sustainable, do not provide adequate income and remove eligibility to Centrelink payments.

People don't understand their rights in relation to Centrelink, finding work, sick leave, negotiating engagement with job seeker providers/Centrelink etc.

The impacts would be:

Many people are working two jobs one during the day and one at night to make ends meet.

Parents cannot afford to engage their kids in activities – it is a choice between food or activities – kids stay home, more time on computers etc, less physical activity and social interaction.

No time for families and spending more time working; health issues as they would not go for a check-up unless its emergency; isolation as they cannot attend any activities; mental health problems due to stress; and high cost of living, renting, school fees, bills etc.

There are no doctors to bulk bill, people are talking about returning to herbal/traditional medicines – because medicine is cost prohibitive.

People go to emergency department instead of the doctor because they can't afford to pay the consult or medication.

All this affects mental health.

Fresh food is too expensive – people eat processed food or fast food because it is cheaper – Also because they have to work so many hours there is no time to prepare food for their families so they are buying fast food all the time

They are missing family holidays, and kid's activities.

2. Bi-cultural worker 2

(*worker requested anonymity for themselves and their community)

Community perceptions of poverty:

During their refugee journey most refugees from my country will have settled in a second country, eg Malaysia or India, on the way to Australia.

Whilst in these countries, conditions are extremely harsh and people receive little support from the UNHCR. They struggle with income, housing, food security and work therefore on arrival in Australia people feel so much better off relative to previous experiences. They have a 'house and food or meat on the table'.

People may not feel they are living in poverty until they have been in Australia for a number of years and understand broader community norms. Although this may be quite different for young people who are exposed to the broader community and peer group through schooling much earlier during settlement etc.

Factors influencing poverty:

Two significant factors influence the communities financial status:

- Housing
- Financial support for communities affected by the conflict in my country

Housing affordability is having a significant impact on the community. Families have two main aims when they arrive to Australia; purchase their own house and enable their children to access good education.

Owning a house is seen as being hugely important because it provides security and belonging in Australia, and it is a milestone that people are here and they have something permanent.

The impact of this is people are focused on saving for a deposit for a home and they apply for a mortgage at 10-15% deposit. They are often in manual professions and many parents are working two jobs to achieve this goal.

The combination of the high cost of housing, mortgage stress and commitments to communities and family in their home country results in significant financial strain.

The other significant impact is on children and young people in the community. Parents feel they need to prioritise finances to housing and often do not support children and young people to engage in activities such as sport. They may have concerns even if activities are free as children might develop expectations around these activities. There are also barriers around language and systems navigation with programs. This means young people spend a lot of time at home on social media. This may have impact on their social connections, mental health, physical health and development of their identity.

There has been some recent examples of a small number of young people in the community involved in risk taking behaviors and with exposure to the justice system – the issues described above may be contributing to these behaviours.

Other examples of challenging situations within the community have been a small number of men congregating with alcohol related issues and rough sleeping. The reasons for this may be many but financial challenges is likely one contributing factor in addition to past experiences of trauma and transition to life within Australia.

There have also been cases of depression and even suicide that is linked to obsession over buying a house.

Many young people choose to work in factory or trade jobs rather than pursuing higher education. This is likely due to their life experience they prioritise the need for immediate money rather than further financial strain through higher education

Suggested solutions:

- Anything to address housing affordability and support for people to own their own homes
- Discounted fees at university or scholarships for refugee communities
- Sustainable funding for free access to sporting and extra curricula activities for children and young people including bi-cultural workers to facilitate program access and delivery
- Support for young people through schools

3. Tibetan community - Tenzin Khangsar

If you define poverty as not having shelter or sufficient food to eat there are almost no example of poverty in the Tibetan community.

Many Tibetan community members come to Australia after significant struggles through their refugee journeys and come with an approach of determination and hard work. The Tibetan community is a huge resource and support to enable newly arrived Tibetan people to settle in Australia. Whilst some community members may be at Centrelink, they may not see themselves as being in poverty based on their past experiences. They manage their finance properly and even with Centrelink income, they manage to save a

little bit. Many Tibetan community members settle and can move quickly into work, with support of the community, despite having little English.

Examples of relative poverty may occur amongst children in families for instance

- Due to low incomes parents may not prioritise their children's access to excursions or sporting activities as they are expensive
- Instead, children occupy themselves on phones or iPad this may have a long-term impact on their connection to the broader community, their social and emotional development, and their health

There is a small number of community members who struggle with poverty;

- Struggle to pay the rent, to have sufficient food to eat, and to pay for their medications
- Struggle with day-to-day activities
- Are on Newstart [now JobSeeker] through Centrelink

These community members tend to have complex health issues, mental health issues and problems with memory.

Recommendations to alleviate poverty in these cases;

- Enable increased income support and access to the disability support pension
- Timely public housing access in location where people feel safe and connected to community

Learnings from the Tibetan community

- It is important to have access to a bi-cultural case worker who can assist people to navigate systems, gain access to training and employment. Community members help each other whenever someone has a problem, and the Tibetan community of Victoria committee are quite active and helpful.
- Examples of systems navigation are gaining access to Centrelink entitlements, affordable housing, navigating payments and fines, visa applications, utility payments and payment plans.
- The Tibetan community's close connection and supportive nature enables people to settle quickly
- Tibetan Buddhism and spirituality play a key part in the Tibetan community's approach to life and hardship reality.